CONFIDENTIAL GENERALIAL

1. Gusev to remain in London—Gusev, Soviet deputy on the Council of Foreign Ministers, has told Dunn that he will not return to Moscow as his Government now "considers it very important to get on with this treaty preparation."

EUROPE-AFRICA

- 2. USSR: Merger of armed forces--Embassy Moscow's Joint Working Committee has prepared the following preliminary evaluation of the establishment of the People's Commissariat for Armed Forces: This is in line with Stalin's point of view that the services should be combined so as to obtain the coordination dictated by the Soviet's experiences in the war. Stalin's appointment as head of the Commissariat is to emphasize that military affairs continue to be of primary importance in Soviet life and that the Communist party will countenance no bid of the military for independent power.
- 3. SPAIN: Tripartite declaration unlikely to affect regime— Embassy Madrid considers that the US-UK-French declaration on Spain is not likely to "stimulate action within Spain for an orderly change in the present regime." The Embassy points out that the Spanish people have long been aware of Franco's identification with the Axis, but are thankful that they were spared from actual involvement in the war, regardless of "methods or circumstances."
- 4. SPAIN: British to try to dissuade French from UNO action— Embassy London reports that the British Embassy Paris has been instructed to attempt to dissuade the French from their proposed intention to bring the Spanish question before the Security Council.

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- 5. IRAN: Qavam to leave Moscow-Prime Minister Qavam has told Kennan that he has been unable to reach any understanding with the Soviets and will leave for Tehran on 5 March. He stated that the Soviets justified the retention of troops in Iran on the grounds that a recent high member of the Iranian Government had, during the Paris Peace Conference in 1919, raised the question of the cession to Iran of Soviet territory. Qavam said that on 4 March he would formally protest to the USSR the continued presence of Red troops in Iran and asked Kennan what action was planned by the US. Kennan replied that if the question were returned to the Security Council, the US Government would do everything in its power to see that the issue was resolved in conformity with the principles of the United Nations Charter.
- 6. GREECE: Informal Soviet request for Dodecanese base--The Greek Foreign Minister has told Acting Charge Rankin that Soviet Ambassador Rodionov, in connection with Soviet food shipments to Greece, "personally wondered" whether it would not be desirable for Greece to "allocate" to the USSR a Greek island possibly in the Dodecanese for the supply and repair of Soviet ships in connection with the proposed trade. The Greek reply was negative. The Foreign Minister pointed out that existing Greek repair facilities are at Soviet disposal and that the disposition of the Dodecanese was a matter for international consideration.
- 7. AUSTRIA: US protests Soviet land request--The War Department has relayed to General Clark for presentation to the Allied Council in Vienna a protest from the State Department concerning the Soviet request for 27,000 hectares (about 65,000 acres) of Austrian land for use by the Red Army. This request is viewed by the US as seriously endangering the whole process of four-power cooperation in Austria, since it is considered contrary to the agreed procedure of utilizing AC machinery to deal with all questions affecting Austria as a whole. The US considers the Soviet request a requisition on the whole Austrian food supply which undermines the Allied objective of establishing



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an independent and economically secure ustria. The US (as c hief contributor to UNRRA) cannot agree to the proposed program of pooling all food resources in Austria and supplementing them from UNRRA stocks, if the Red Army maintains its present numerical strength in the country and removes arable land from production. Unless the US has immediate assurance that the Red Army will substantially reduce its occupation forces and that no land will be withdrawn from Austrian production except by AC agreement, the US will: (a) instruct the US member of the UNRRA Central Committee to oppose the new program for Austria now under consideration; (b) immediately propose to the French and UK Governments formulation of a tripartite agreement on resources involving the three Western Zones only; and (c) will publicly announce that uniform UNRRA relief throughout Austria has been made impossible by Soviet action.

8. BULGARIA: No commitments to USSR: According to Barnes, Foreign Minister Stainov has stated categorically to a close friend that the Bulgarian Government made no political or military commitments to the USSR during the visit of three Cabinet Ministers to Moscow in January or during the recent visit of Tolbukhin to Sofia. Stainov added that the Soviets require no such commitment, as they plan to keep the Red Army in Bulgaria for "years to come".

FAR EAST

- 9. JAPAN: March shipment of foodstuffs inadequate--General MacArthur regards the shipment of 40,000 tons of foodstuffs from the US during March as inadequate to prevent famine in Japan. Since 94 percent of pre-war Japanese food imports came from Pacific areas, he urges that every effort be made now to provide supplies from Australia, Siam, Indochina and Pacific areas with food surpluses.
- 10. CHINA: Tsingtao proposed as principal fleet base--Admiral Cooke reports that surveys just completed indicate the

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TOP STONFIDENTIAL: desirability of establishing Tsingtao as the principal Seventh Fleet base of operations in China.

- CHINA: Air Force equipment sale to China authorized -- The 11. sale to China of 2,000 tons of Air Force equipment now in India has been authorized by the War and State Departments and the Foreign Liquidation Commission. This material will be shipped to China, declared surplus and sold to the Chinese Government by the FLC.
- SOUTHEAST ASIA: MacArthur opposes US mission to Singa-12. pore--General MacArthur has reported to the War Department that he does not fayor the assignment of a military liaison mission to the proposed new and smaller British headquarters at Singapore which would replace Supreme Allied Command of Southeast Asia. He believes it "most undesirable... to continue any semblance of American responsibility for military action in this British sphere of activity."